

Message Text

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PARIS FOR USOECD

E. O. 11652: N/A

TAGS: AORG, NATO, OECD

SUBJECT: NATO STAFF COMMENTS ON SALARY INCREASES

REF: (A) STATE 85051, (B) STATE 116968

SUMMARY: ALL NATO PERMREPS RECEIVED A COPY OF LETTER
SENT BY NATO A/L GRADE EMPLOYEES TO SYG LUNS PROTESTING
LACK OF SALARY INCREASE FOR SOME OF THEM IN THE 140TH
REPORT (1976 GENERAL SALARY REVIEW), ONLY AN 80
ADJUSTMENT FOR COST-OF-LIVING INDEX INCREASE DURING LAST
SIX MONTHS OF 1976 (141ST REPORT), AND LACK OF
NEGOTIATING MACHINERY. LETTER REPEATS UNACCEPTABILITY
OF 133RD REPORT (NEW PAY PROCEDURE) TO STAFF OF FIVE
COORDINATED ORGANIZATIONS, AND STATES INTENTION TO
TAKE ANY APPROPRIATE ACTION TO PROTECT THEIR LEGITIMATE
INTERESTS. ATTACHMENTS TO LETTER PROVIDE COMMENTS ON
THE 133RD REPORT, THE PROPOSALS OF THE SECSGEN ON THE
1976 GENERAL REVIEW, THE NEGOTIATION PROCEDURES
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EMPLOYEES WISH ESTABLISHED, AN OUTLINE OF A DESIRED PAY
PROCEDURE TO BE EFFECTIVE AFTER JANUARY 1978, AND
ADVISE THEY WILL CONSIDER TAKING APPROPRIATE ACTIONS TO
PROTECT THEIR INTERESTS IF THESE DEMANDS NOT SATISFIED.
END SUMMARY.

1. REPRESENTATIVES OF THE STAFF ASSOCIATION FOR A/L

GRADES (PROFESSIONAL STAFF) FORWARDED TO ALL NATO PERMREPS A COPY OF THEIR LETTER DATED JUNE 6, 1977, TO SYG LUNS.

2. THE LETTER STRESSED THE UNACCEPTABILITY OF THE PAY PROCEDURE ADOPTED IN THE 133RD REPORT, REGRETTED THAT THE COORDINATING COMMITTEE OF GOVERNMENT BUDGET EXPERTS (CCG) REJECTED THE "INADEQUATE" SALARY PROPOSALS OF THE SECSGEN FOR THE 1976 GENERAL SALARY REVIEW, AND PRESENTED, INSTEAD, THE 140TH PROPOSAL, TAKING A UNILATERAL DECISION AFFECTING BASIC STAFF INTERESTS AND IMPOSING FOR THE FIRST TIME A NEGATIVE SALARY ADJUSTMENT.

3. THEY REMINDED THE SYG THAT ON APRIL 18, 1977, THEY HAD TOLD HIM IT WAS "INTOLERABLE" NO NEGOTIATING MACHINERY EXISTED, AND THAT THEY "MUST PARTICIPATE ACTIVELY" IN PREPARING ANY NEW SALARY ADJUSTMENT PROCEDURES TO BE FOLLOWED AFTER JANUARY 1, 1978.

4. THEY STATED THAT THE PROPOSALS OF THE 140TH REPORT CAUSED A LOSS OF PURCHASING POWER FOR MANY GRADES, MODIFIED GRADE STRUCTURE AND ADVANCEMENT PROSPECTS OF ALL A/L STAFF, AND DISCRIMINATED BETWEEN STAFF MEMBERS OF DIFFERENT GRADES WHO RECEIVED SAME SALARIES; THE REAL TERM SALARY REDUCTIONS WOULD DECREASE THE YEARLY CREDITS EARNED UNDER THE NEW PENSION SCHEME. WITH LOWER SALARY INCREASES THAN THOSE GRANTED UNCLASSIFIED

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TO EMPLOYEES OF THE EUROPEAN COMMUNITIES (EC), THE SALARY GAP WAS WIDENED BETWEEN THE TWO INTERNATIONAL ORGANIZATIONS IN BRUSSELS.

5. THE CCG, IN ITS 141ST REPORT, HAD REJECTED WITHOUT JUSTIFICATION THE SECSGEN'S 100 RECOMMENDATION AND HAD GIVEN ONLY AN 80 COST-OF-LIVING INCREASE FOR THE LAST SIX MONTHS OF 1976. THEY BELIEVE THE CCG MAY PLAN A FURTHER NEGATIVE SALARY ADJUSTMENT FOR THE 1977 GENERAL REVIEW, AND NOTE THE 133RD REPORT PROVIDES A CEILING, BUT NO MINIMUM SALARY ADJUSTMENT.

6. THE A/L STAFF ASK SYG LUNS TO PRESENT THEIR CONCERN TO THE NAC WHEN THESE REPORTS ARE DISCUSSED JUNE 15.

7. ANNEX I TO THEIR LETTER CONTAINS COMMENTS BY THE STANDING COMMITTEE OF THE STAFF ASSOCIATIONS OF THE COORDINATED ORGANIZATIONS (CPAPOC) ON THE NEW PAY

PROCEDURE, REPORT 133. THEY REQUEST: (1) TWO GENERAL REVIEWS A YEAR, JANUARY AND JULY; (2) TIME LIMITATION ON CCG'S REPLY TO SECSGEN'S SALARY PROPOSALS; (3) COST-OF-LIVING INDEX ADVANCE FOR JANUARY-JUNE SALARY ADJUSTMENT; AND (4) EXPRESS CONCERN OVER PROCEDURAL VACUUM AFTER JANUARY 1, 1978, WHEN 133RD REPORT IS TO BE REVIEWED.

8. CONCERNING THE A/L GRADES, THE ASSOCIATIONS OPPOSE ANY WIDENING OF GAP IN REAL TERMS BETWEEN SALARIES AUTHORIZED BY CCG AND EC; CRITICIZE ARTICLES 5 AND 6 OF THE 133RD REPORT AND WANT CCG TO ADOPT EC PROCEDURE FOR FINDING PURCHASING POWER TRENDS OF CIVIL SERVICE SALARIES IN REFERENCE COUNTRIES, AND ALSO PERMITTING

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STAFF ASSOCIATIONS TO CHECK AND CHALLENGE DATA PRESENTED BY THE REFERENCE COUNTRIES.

9. ANNEX II - CPAPOC COMMENTS ON THE 1976 GENERAL REVIEW PROPOSALS OF THE SECSGEN: THE 133RD REPORT IS UNACCEPTABLE TO THEM; THEIR OBJECTIVE IS TO ACHIEVE PARITY WITH EC SALARIES FOR ALL A/L GRADES AND TO KEEP BEST LOCAL EMPLOYERS' CRITERIA FOR B/C GRADES; SEVEN REFERENCE COUNTRIES ARE NOT A REPRESENTATIVE SAMPLE; THEY WISH TO HAVE A GROUP OF INDEPENDENT STATISTICIANS CHECK DATA SUPPLIED BY REFERENCE COUNTRIES; UNREASONABLE TO INCLUDE IN SEVEN REFERENCE COUNTRIES TWO WITH EXTREME ECONOMIC

DIFFICULTIES.

THEY WANT SALARY PROPOSALS TO REDUCE GAP BETWEEN EC AND CCG; TO HAVE AS REFERENCE COUNTRIES THOSE REPRESENTING THE AVERAGE ECONOMIC POSITION OF MEMBER STATES AND THE GEOGRAPHICAL DISTRIBUTION OF THE CCG STAFF; TO CONSIDER RECRUITMENT DIFFICULTIES; TO HAVE A COMPARISON WITH GENUINE BEST LOCAL EMPLOYERS FOR B/C GRADES AND A TIME LIMIT IN WHICH CCG MUST REPORT UNCLASSIFIED

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TO COUNCILS.

10. ANNEX III CONTAINS THE RESOLUTION THE A/L GRADES SENT SYG LUNS ON APRIL 18, 1977. THEY REQUEST THAT NO NEW SALARY PROCEDURE AFTER JANUARY 1, 1978, BE DISCUSSED UNTIL A NEGOTIATING PROCEDURE HAS BEEN ESTABLISHED; THAT NEW SALARY ADJUSTMENT PROCEDURE SHOULD INCLUDE FOLLOWING PRINCIPLES: (A) IDENTICAL CRITERIA AND DATA COLLECTION PROCEDURES AS EC; (B) SALARY ADJUSTMENTS ON SAME DATE AS EC; (C) GAP BETWEEN EC/CCG SALARIES BE CLOSED ASAP, BUT WITHIN TWO YEARS AT LATEST; (D) COST-OF-LIVING ADVANCE FOR SECOND HALF OF 1976 BE SAME AS EC. IF ABOVE NOT SATISFIED, A/L STAFF WILL SEEK OTHER FORMS OF REPRESENTATION OR CONSIDER APPROPRIATE ACTION TO PROTECT "LEGITIMATE INTERESTS."

11. ANNEX IV - CPAOC COMMENTS ON NEGOTIATION. SINCE RELATIONS BETWEEN CCG STAFF AND EMPLOYERS HAVE SERIOUSLY DEGENERATED IN PAST YEAR, CPAOC BELIEVES (A) STAFF AND SALARY POLICIES CANNOT BE DETERMINED BY BUDGETARY CONSIDERATIONS ONLY; (B) CCG SHOULD BE STRICTLY ADVISORY BODY AND CONFINED TO BUDGETARY ASPECTS, GIVEN TERMS OF REFERENCE, RULES OF PROCEDURE AND REPORTING DEADLINES; (C) EXISTING COORDINATED DECISION-MAKING PROCEDURE SHOULD BE CHANGED TO ENSURE THAT OTHER FACTORS OUTSIDE CCG RECEIVE PROPER CONSIDERATION; (D) AS IN MEMBER CCG COUNTRIES, "THE DIRECT INTERVENTION OF STAFF IN THE DECISION-MAKING PROCESS, AT ALL ITS DIFFERENT STAGES, ON PROBLEMS OF VITAL INTEREST TO STAFF IS AN ESSENTIAL RIGHT OF WHICH THE STAFFS OF THE CCG CAN NO LONGER BE DEPRIVED."

12. FOR THE ABOVE REASONS, CPAOC REQUESTS THAT DURING THE NEGOTIATING PROCEDURE ALL PARTIES, I. E. REPRESENTATIVES OF STAFFS AND GOVERNMENTS AND SECRETARIES UNCLASSIFIED

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RIES GENERAL, MEET TO THOROUGHLY DISCUSS ALL POSITIONS AND DATA PRESENTED IN ORDER TO REACH AGREEMENT. IF NO COMMONLY-AGREED POSITION REACHED, AN INDEPENDENT CONCILIATION MACHINERY SHOULD BE SET UP TO RESOLVE REMAINING DIFFERENCES.

13. CPAPOC ADVISED THE SECSGEN THEY INTEND TO RAISE THIS QUESTION WITH THE MEMBER CCG GOVERNMENTS SHORTLY.

14. COMMENT:

A. EC SALARY INCREASES

THE US MISSION TO EC REPORTS ONLY ONE SALARY ADJUSTMENT, BF 2,700 PER MONTH TO ALL EC EMPLOYEES, RETROACTIVE TO JULY 1, 1976, WAS GRANTED JANUARY 1977. WE WILL BE ADVISED WHEN A FURTHER ADJUSTMENT IS MADE.

B. DELAYS

WHEN THE SECSGEN'S RECOMMENDATIONS FOR THE 1976 SALARY INCREASE WERE PRESENTED TO THE CCG, THREE MEETINGS WERE WASTED BY THE ATTEMPT OF THE OECD ASYG TO CONVINCE THE CCG REPS THAT THEY, INSTEAD OF THE COUNCILS, COULD CONSIDER EXCEPTIONAL CIRCUMSTANCES. ONLY WHEN HE WAS CONVINCED THAT THE CCG WOULD ABIDE BY THE INSTRUCTIONS STATED IN THE 133RD REPORT THAT ONLY A COUNCIL COULD APPROVE EXCEPTIONAL CIRCUMSTANCES WAS THE CCG ABLE TO PROCEED WITH THE SALARY REVIEW.

DURING THE CCG MEETING OF MAY 25 IN PARIS, THE NATO REP

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STATED SO MUCH DETAILED INFORMATION FROM NATIONAL AND INTERNATIONAL SOURCES WAS NECESSARY TO BE OBTAINED FOR THE JULY 1, 1977, SALARY REVIEW THAT THE SECSGEN WOULD BE UNABLE TO PRESENT THEIR PROPOSALS UNTIL SPRING 1978 AND ADVISED AN ADVANCE ON THAT JULY 1 SALARY REVIEW WOULD BE NECESSARY. THE 133RD REPORT AUTHORIZES NO ADVANCE ON A JULY SALARY ADJUSTMENT. REPLYING, THE BELGIAN REP GUARANTEED THAT BELGIUM WOULD FURNISH ITS NATIONAL SALARY SCALES BY JULY 10, WAS SURE OTHER GOVERNMENTS WOULD DO THE SAME AND SAID THAT THE CCG WOULD HAVE EXTRA SESSIONS TO PROCESS THE 1977 SALARY REVIEW RAPIDLY. HE ADDED BELGIUM WOULD GRANT NO ADVANCE ON THE JULY 1977 SALARY ADJUSTMENT.
DURING ALL MEETINGS ON THE JULY 1976 SALARY REVIEW, THE REPRESENTATIVES OF THE SECSGEN HAVE REITERATED ONE THEME: THE 133RD REPORT IS TOO COMPLICATED AND THE CCG SHOULD RETURN TO THE AUTOMATIC 100 COST-OF-LIVING INDEX ADJUSTMENT.

C. ADVANCE

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THE CCG COMPROMISED FOR AN 80 INSTEAD OF 100 COST-OF-LIVING INDEX ADVANCE TO AVOID USING DIFFERENT PERCENTAGES FOR A/L AND B/C GRADES, AND GRANTING A HIGH ADJUSTMENT FOR ALL GRADES WHICH MANY REPRESENTATIVES BELIEVED WOULD NOT BE SUPPORTED BY CURRENT STATISTICS DURING THE 1977 GENERAL REVIEW.

D. NAC REVIEW

MISSION HAS NOT RECEIVED AN AGENDA STATING WHEN REPORTS 140 AND 141 WILL BE DISCUSSED IN NAC. HOWEVER, WE PLAN TO (A) DRAW ON GUIDANCE CONTAINED IN STATE 85051 AND 116968 ON ISSUES OF EXCEPTIONAL CIRCUMSTANCES, EC SALARY COMPARISON AND REVIEW OF SALARY PROCEDURE TO BE HELD IN JANUARY 1978, AND (B) APPROVE REPORTS AS PRESENTED.

15. ACTION REQUESTED:

A. DEPARTMENT'S COMMENTS;

B. CONCURRENCE WITH PROPOSALS OUTLINED IN
PARAGRAPH 14 (D).STREATROR

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